GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:685
ANSWERED ON:06.02.2017
Impact of Demonetisation on Commerce and Industry Sector
Mishra Shri Bhairon Prasad

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has conducted any study to assess the impact of demonestisation on commerce and Industry sector of the country:
(b) if so, the details and the outcome thereof: and
(c) the special measures taken/being taken by the Government to safeguard the Commerce and Industry Sector from the impact of demonitisation?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a)&(b): No, Madam.
(c): A meeting was convened by Department of Commerce on 21st November, 2016 with Export Promotion Councils (EPCs) to assess the impact of demonetisation on the country''s exports. A similar meeting was also convened by Ministry of Micro, Small & Medium Enterprises (MSME) to assess the impact of demonetization on 24th November, 2016.

The Government has received feedback from industry and trade associations. In order to mitigate their problem of liquidity crunch, the Government has taken several measures such as:all EPC's have been advised to go cashless in respect of their payments; the coverage of the loans under the Credit Guarantee Scheme for Micro and Small Enterprises (MSEs) implemented by Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) has been increased from ? 1 crore to ? 2 crore ; the Credit Guarantee scheme has also been extended to loans for MSEs by Non Banking Financial Companies (NBFCs); and Department of Financial Services (DFS) has issued an advisory to Banks regarding raising of working capital/cash credit limit for MSEs. Apart from this, as per the Reserve Bank of India's Notification dated 30th January, 2017 the traders with current/ overdrafts/ cash credit accounts may now withdraw without any limit.

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